

MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
SPECIAL MEETING

Santa Fe, New Mexico

May 1, 2003

A special meeting of the City of Santa Fe Finance Committee was called to order on this date at approximately 3:15 p.m. in City Hall Council Chambers. Roll Call indicated the presence of a quorum, as follows:

Members Present:

Councilor Carol Robertson Lopez, Chair
Councilor Miguel M. Chavez
Councilor Karen Heldmeyer
Councilor Rebecca Wurzbarger [excused at 4:30 p.m.]

Members Excused:

Councilor Matthew E. Ortiz

Other Governing Body Members Present:

Mayor Larry A. Delgado
Councilor Patti J. Bushee
Councilor David Coss
Councilor David Pfeffer

Staff Present:

Mr. Jim Romero, City Manager
Ms. Kathryn Raveling, Finance & Budget Division
Ms. Terrie Medina, Finance & Budget Division
Mr. Cal Probasco, Finance & Budget Division

APPROVAL OF AGENDA

The following item was added to the Agenda, immediately following Approval of Agenda:

- 3A. Report From City Manager on Proposed Reorganization

Councilor Wurzburger moved approval of the Agenda, as amended. Councilor Heldmeyer seconded the motion, which passed 2-0 by voice vote. [Councilor Chavez was not present during this action.]

REPORT FROM CITY MANAGER ON PROPOSED REORGANIZATION

Mr. Romero distributed a proposed organizational chart.

Mr. Romero noted the following changes:

- Carlos Martinez would be working out of his office, dealing with constituent complaints, requests from Councilors, etc. Julie Berman has been working in his office for the last couple of years doing departmental analyses.
- Galen Buller has been working out of his office since he began as Water Division director, and now Wastewater will be added to that.
- Under Community Services, Housing and Economic Development will report to him directly to see if he can get a better handle on City Council priorities.
- A microfilm technician position vacancy in the City Clerk's Office and a budget analyst position in Finance have been reclassified into the Traffic sign shop.
- Richard Fiedler has been moved from Parks Division director to Property Control officer to take the place of Gil Sandoval, who will be retiring. Sweeney Operations will go under Property Control. As mechanical supervisor Nat Anaya is also retiring July 15, he will be replaced by Albert Martinez, whose position will be funded half by the General Fund and half by Sweeney.
- ADA will be under Property Control to review plans and construction projects.
- Personnel director Arturo Rodriguez will be leaving the City at the end of May, and will be replaced by Terry Lopez.
- Six vacancies exist in Planning & Land Use: three long range planners, planner supervisor, MPO planner and historic preservationist are being re-advertised.
- As Water and Wastewater are now under the City Manager's jurisdiction, and Solid Waste has been under Public Works for the last couple of years, he thought it very important that there be a department head overseeing one division; to that end, he has asked Jerry Lowance to step down on June 30.

- Traffic Engineering will be working under Engineering.

- Approximately \$300,000 will be saved in the following areas: Between Parks, with half of a mechanical structural supervisor and downgrading the assistant director of Personnel Services to a senior human resources administrator, it would save the General Fund approximately \$161,000. Additionally, the Public Utilities director position, with benefits, is \$99,808. Half salary savings at Sweeney will save another \$28,000. With the reclassifications of the microfilm technician and budget analyst into the Traffic sign shop, some savings will be realized.

Chair Lopez commented that she has taken a few management classes herself, and has never seen “seventeen boxes reporting to one person.” She said this is too much for one person to handle, and she was extremely concerned.

Chair Lopez additionally expressed concern that the City seems not to be advertising some of these positions in the community, including that of the Personnel director. She said the City must be sure it is getting the very best applications possible.

Mr. Romero responded that the Personnel director is an exempt employee, and consequently he is not required to advertise the position. He stated that his point in putting Terry Lopez in that position was to maintain consistency and stability in that area.

Chair Lopez stated that she nonetheless wants to see a policy requiring that exempt positions be advertised. She reiterated that, if people in this community don’t know about these vacancies, then they don’t have the option of contacting the City to apply for the job.

Councilor Heldmeyer asked Mr. Romero how work would be done in Parks if there were no director.

Mr. Romero responded that the Parks superintendent would be assigned to oversee the parks, and so instead of reporting to the division director, he will report to the department director, Ron Shirley.

Councilor Heldmeyer asked Mr. Romero to what extent Carlos Martinez and Julie Berman will take on some of his responsibilities and relieve his workload.

Mr. Romero responded that Mr. Martinez will be able to interact with Councilors on a daily basis, deal with water bill problems, get copies of resolutions where staff has been directed to follow up, coordinate between departments, facilitate meetings to address problems, etc. — in general, he will deal with the day-to-day issues that need attention from constituents and Councilors.

Councilor Bushee expressed concern that Solid Waste, one of the City's utilities, remains under Public Works. She said she understood better the logic of having Transit, Aviation, Parking and Engineering under Public Works than she did Solid Waste.

Councilor Bushee suggested that Mr. Romero consider hiring an assistant City Manager. She observed that the proposed organizational chart imposed a considerable burden on Mr. Romero.

Councilor Bushee said she continues to question why the City Auditor position has not been returned to Finance.

Councilor Chavez agreed with Councilor Bushee that the City Auditor should be moved to Finance.

Councilor Chavez remarked that the Intercultural Affairs office functions have diminished of late, and he thought it largely a façade at this point. He recalled that, at one time, the Community Advisory Board was assigned to that office to assist the director in figuring out how to fulfill their mission statement. He wondered if the office was even necessary anymore.

Mr. Romero responded that these are areas that he can continue to tweak.

Chair Lopez suggested that a deputy City Manager be considered, so that someone is available to take over the operation if the City Manager is not available for one reason or another.

Chair Lopez added that she continues to be perplexed by the "double standard" in terms of when the City advertises and when it doesn't. She recalled that, when the Police Chief position was vacant, a lot of Councilors publicly endorsed then-deputy chief Lennen and were told that the City had to go through the usual hiring process and interview applicants.

Chair Lopez said the organizational chart was unacceptable to her. She stated that she has had discussions with the City Manager for two years about lack of follow up in certain issues by virtue of the fact that he is so busy.

Councilor Pfeffer said he would endorse the idea of a deputy City Manager.

Councilor Pfeffer reminded Councilors that much of Mr. Romero's proposed reorganization is no doubt part of an overall effort to balance the budget and cut costs.

Councilor Heldmeyer said she thought a deputy City Manager would be one alternative, but there are other alternatives. She pointed out, "A couple of well-

placed people with clear ideas of what coordinating they are supposed to be doing for you are worth their weight in gold, and are worth paying.”

Councilor Wurzbarger concurred. She said some things are clearly working better than others, and one approach would be for the City manager to directly supervise areas that the City needs to emphasize, such as water, affordable housing and economic development, while other areas could be filtered through another person to the City Manager. She said those responsibilities could be worked out with senior staff.

Shortly in the course of ensuing discussion, Chair Lopez said she thought the discussion was straying into issues involving employee performance, and suggested that such issues be pursued in executive session.

Chair Lopez stated that she hears regularly from David McQuarie, chairman of the Mayor’s Committee on Concerns of Persons with Disabilities, who points out to her that various designs and projects approved by the City do not meet ADA requirements. She expressed concern that, by relegating ADA to the bottom of the Public Works hierarchy, some citizens in the community might not experience equal access opportunities available to all citizens. She said ADA should be closely involved with Housing and Economic Development, for instance. She commented that she has been personally embarrassed “by some of the things that we have done to our handicapped citizens in this community.”

Chair Lopez asked the City Manager to flesh out the organizational chart a bit more and define where the other divisions are, e.g., Transit and the youth programs.

PUBLIC COMMENT

None.

FISCAL YEAR 2003/04 OPERATING BUDGET REVIEW CONTINUED:

Follow Up on Issues Raised at April 22, 2003 Meeting

Transfer Station

Councilor Heldmeyer observed that staff’s analysis of this issue did not draw any conclusions.

Public Works director Mike Lujan stated that the biggest advantage of selling the Transfer Station would be to realize a net savings of \$380,000 annually.

Mr. Lujan noted that the City has been able to eliminate the processing of recyclables at the Transfer Station, which was a \$185,000 annual contract; instead, the City is taking the recyclables off the route directly and taking them to the Transfer Station where the materials are transported to Albuquerque.

Mr. Lujan also noted the site has been viewed as an excellent potential location for a materials recovery facility for recyclables (MRF), and staff is continuing discussions with the regional landfill staff, County of Santa Fe and Nambé Pueblo on this prospect. He said the question remains, however, as to whether it would be in the City's interest to move in that direction.

Mr. Lujan also stated that the regional landfill closes on occasion because of weather conditions, and the Transfer Station has been helpful in that respect.

Councilor Heldmeyer commented that she has questioned SWMA staff on how often the landfill closes because of windy conditions, "and nobody seems to want to talk about it." She said she has asked for a report.

Councilor Heldmeyer also noted that SWMA has recently decided to accept waste from Española for two years beginning in 2004 because Española is in the process of deciding whether it wants its own landfill or not. She said the monies from Española will be specifically set aside to help with recycling, and perhaps the City's share could pay for a feasibility study. She commented that County solid waste manager Jill Holbert is very interested in recycling, as is Richard Mares, her City counterpart.

Mr. Lujan said he would like to have an opportunity to have the feasibility study done so the City can come up with some sound recommendations.

In discussion, Mr. Lujan pointed out that the City once had a landfill it owned, operated and maintained, and it was able to run essentially on its own from its enterprise fund. He said that, with the regional landfill online, the City now has tipping fees that run about \$2 million annually. He added that transfer stations are generally built at least 30 miles away from a regional landfill; here, it is about six miles between the two facilities.

Councilor Heldmeyer said she would strongly suggest that any leasing options not include sale of the land at the Transfer Station, and Mr. Lujan responded that he would tend to agree with that.

Councilor Wurzbarger recalled that, several years ago, there was a lot of excitement at the regional economic development committee about an outside vendor who was proposing to do a recycling project; however, it turned out that the amount of material being generated would not make it profitable. She commented

that possibly the City might not find this profitable, either, so increasing the range might make sense.

Mr. Lujan responded that the City will definitely involve economic development in this process. He said Councilor Wurzbarger had raised a major point, i.e., what kind of material can be generated?

Chair Lopez stated that the entire town of Las Cruces is automated pickup with the exception of some unique areas. She commented that Santa Fe has unique areas, too, but she thought them the exception. She asked Mr. Lujan to prepare a report on what the City's plans are and what the cost break-off is. She commented that she continues to be concerned about earlier reports in the budget process saying that the City might take over additional routes in five years. She said that might not be fast enough.

Mr. Lujan responded that the City's cost of service study survey reflects that eight out of ten cities are either already automated or moving in that direction. He stated that the City will have about 5,000 of 23,000 homes on automation by the end of this fiscal year, which is achievable with existing equipment; however moving to the next level will involve converting more vehicles to service residences as well as commercial locations, which is expensive. He said he would like to complete an analysis on what kind of equipment will be most effective in an automated system.

Chair Lopez said that was fine, but she thought this was a policy area that Councilors should look into. She said perhaps the Finance Committee might want to consider funding some equipment during the CIP process. She added, "If we make as a policy decision that we feel that we can save X amount of money and X amount of time, then we can look at different options to fund that equipment — including, at some point, a refinance on some of our solid waste revenue. I certainly think we need to find a way to give our members of the SWMA board more support to go to the County and ask for an audit in terms of the tipping fees, whatever, and escalate that for resolution, because I don't think we can have the kind of healthy solid waste that you envision, Mike, until we get a little equity on our fees."

Councilor Heldmeyer clarified that there was a recent audit on tipping fees, and both the auditor and consultant agreed that they were not too high, and that the cash balances were not too high; because of this, another consultant has been hired who is very familiar with the situation, particularly in Las Cruces.

Councilor Heldmeyer pointed out that the City's solid waste funds will expire in June 2005, so refinancing is not feasible, but there will be new funds. Secondly, she said, of the 18% increase proposed in the solid waste fee, she understood 3% was designed to be put up for bonding for new equipment.

Mr. Lujan responded that this would not necessarily bond, but rather would pay back the loan the City is proposing off the 1/16% GRT. He said staff will be proposing to take care of some immediate needs with the fee increase, and in fact the proposed rate would enable the fund to pay back this internal loan.

Request for Approval to Publish Notice of Public Hearing On June 25, 2003, of an Ordinance Amending Section 21-7.1 and Exhibit B of Chapter 21 Relating to Refuse Collection and Disposal Rate and Fee Schedule.

Councilor Chavez moved for approval. Councilor Heldmeyer seconded the motion, which passed 2-0 by voice vote. [Councilor Wurzburger was not present during this action.]

Follow Up on Issues Raised at April 22, 2003 Meeting (Cont'd)

Stormwater

Councilor Chavez noted staff's suggestion that the Council impose a 75¢ per month stormwater utility fee, which would allow implementation of the minimum Best Management Practices (BMPs) in order comply with federal mandate.

Councilor Chavez observed that staff's memorandum states that priorities for the first year of the proposed include establishing a program manager position.

Mr. Lujan said that was correct, and this would be a new position within the department funded from the utility fee that would be generated.

Mr. Lujan also stated that a vactor, which will cost \$250,000 in the first year, is a critical piece of drainage maintenance equipment. He stated that federal compliance officer Robert Gallegos and Streets director Lawrence Ortiz pointed out that it would be instrumental in detecting illicit discharge citywide. He stressed that this would be a very important component of NPDES regulations compliance.

Mr. Lujan said the program manager position, with benefits, would cost \$62,000 annually; the equipment would be \$250,000; and a small \$7,300 operating budget would leave \$22,000 that would be carried over into the next year. He said the manager will be working with committees and stakeholder groups to find other funding sources to implement other BMPs.

Chair Lopez expressed concern that the Council not consider adopting the 75¢ stormwater utility fee until it knows what the EPA requirements will be relative to the plan submitted to them.

Mr. Gallegos clarified that he has not heard from the EPA yet. He noted that its model general permit was still in draft form at the time the City submitted the plan.

Referring to the spreadsheet developed by planner Marian Shirin that was originally distributed at the March 3 special City Council meeting, Councilor Heldmeyer said it was developed to reflect what the City could get for various fees; and at the \$1.50 level, the City “was doing pretty well in terms of not just personnel, but in projects we could pursue.”

Councilor Heldmeyer said that, while one Councilor has pointed out that this would benefit some people in the city more than others, in reality everybody in Santa Fe lives either upstream or downstream, and “if you’re living downstream you may benefit from the projects, but if you’re upstream you’re contributing to the problem.” In addition, she said, everyone who drives a vehicle contributes to the oil and gas in the streets that washes into the river. She said small areas with specific problems may benefit from an assessment district.

Chair Lopez asked staff to consider what could be achieved with a \$1/month increase, i.e., what would staff specifically recommend the City spend the extra 25¢ on in the coming year. She said it will be important for the City to be able to identify those successes after the first year.

Councilor Heldmeyer noted that startup costs will take up most of the first year’s revenues, after which most of the money will be put into projects.

Request for Approval to Publish Notice of Public Hearing On June 25, 2003, of an Ordinance Creating a New Section 13-1 SFCC 1987 Establishing a Stormwater Utility Service Charge for All Utility Customers of the City of Santa Fe.

Councilor Chavez moved for approval. Councilor Heldmeyer seconded the motion, which passed 2-0 by voice vote. [Councilor Wurzburger was not present during this action.]

COMMITTEE ISSUES AND QUESTIONS

Following discussion, the Committee agreed to hold its regular Finance Committee meeting on May 5 at 4:30, followed by a continuation of the budget review at 5:30.

**REQUEST FOR APPROVAL OF CITY MANAGER RECOMMENDATIONS
FOR THE FISCAL YEAR 2003/04 OPERATING BUDGET**

1. General Government

**A. Santa Fe Convention & Visitors Bureau Amended to Fund
Lensic Performing Arts Center.**

Councilor Chavez said he asked Lensic representatives at the last meeting to prepare a report on what the Lensic has provided to the community. He said he was hoping that such a report could be provided regularly to the City.

CVB director Darlene Griego responded that The Lensic will be providing monthly reports to her as a provision of their next contract.

Lensic representative Jacqueline Quintana distributed the Lensic report.
[Submitted with these minutes as Exhibit "A."]

Responding to questioning from Councilor Chavez, Ms. Griego said she thought the report was complete, but disagreed with The Lensic's point that they would have provided a conference room to the CAT planner "has such use been requested." She said, "It was requested, and I was told that they didn't have a meeting space per se but they would set up a table in the lobby or on the stage."

Councilor Chavez observed that The Lensic stated in their report that they would have provided office space and access to office equipment to the CAT planner had it been necessary.

Ms. Griego stated that Tom Maguire, the new CAT planner, is currently lodged at CVB so staff can work closely with him until he gets his feet on the ground. She said The Lensic has provided Mr. Maguire a space upstairs where the administrative offices are, but it is too small and nothing else is available. She said Mr. Maguire's office at Sweeney is ample and he can hold meetings there for small groups.

Noting Councilor Coss' upcoming resolution to increase Santa Fe Trails funding for fixed route service from the Lodgers Tax from 6% to 12% to reflect the percentage of visitors who use the system, Chair Lopez asked Councilor Coss if he plans to pursue that resolution.

Councilor Coss responded that he has decreased the percentage to about 6%, reducing it from \$249,000 to \$115,000. He said the City Manager has identified \$150,000 in additional monies going to Transit this year, as well.

Ms. Griego distributed a memorandum identifying \$115,000 in line items that could be reduced to fund Santa Fe Trails.

Ms. Raveling said she has clarified to the OTAB Board this week that the 1% for the new convention center cannot be tapped into, nor can 1% for the Arts, which only leaves the Special Use Fund (formerly called the “bricks and mortar fund” until the use was expanded) and the CVB. She said Ms. Griego’s recommendations come from those two sources, although most is from the CVB. She clarified that Albert Martinez’s salary will be split between Sweeney and Property Control as part of the reorganization that Mr. Romero reviewed earlier in this meeting.

Councilor Coss said he appreciated Ms. Griego’s efforts and those of the City Manager in identifying how additional monies could be found for the fixed route system, since he thought this a very important program. He asked for additional time to work with the City Manager before requesting action on this item.

In the course of discussion on conversion rates, Chamber of Commerce director Jerry Easley distributed a report prepared by the Chamber presenting results for the first eight months of the FY 2002-03 fiscal year (7/1/02 – 2/28/02). He noted that the Chamber uses the same conversion rate on Visitors Guides as does the CVB, which is 55%. He noted that, during the eight months, room nights through the Visitors Guides numbered 2,049 bookings, which translates to 10,996 room nights.
[Submitted with these minutes as Exhibit “A.2.”]

Councilor Coss clarified for Chair Lopez that he has rewritten his resolution to reflect that all of the proceeds will go into passenger amenities; that is, signage and improving bus stops, with the primary goal to meet the Americans With Disabilities Act. He said he reduced the original amount being requested because the Transit Advisory Board and Mayor’s Committee/Disabilities do not see eye to eye on how those monies should be expended. He said Transit’s FIR showed increased route frequencies and hiring additional staff, both of which he has removed from the resolution.

Chair Lopez asked for a report from staff on how much the City spends annually on ADA related improvements, and is there an actual budget for that.

Chair Lopez said she would also like a report on how much money is being spent on advertising. She commented that she would like to see a plan that would help distribute the City’s advertising dollars to not only the print media, but the broadcast media.

ADJOURN

Its business completed, the Committee adjourned the meeting at approximately 5:30 p.m.

Accepted by:

Councilor Carol Robertson Lopez, Chair

Reviewed by:

Kathryn Raveling, Finance Director

Submitted by:

Judith S. Beatty, Recorder

